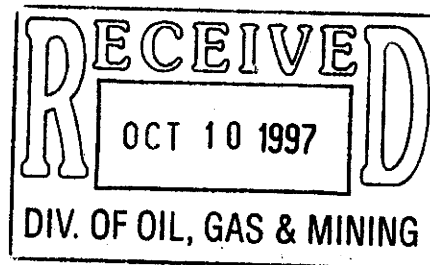




United States Department of the Interior

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BUREAU OF LAND MANAGEMENT
CEDAR CITY DISTRICT
BEAVER RIVER RESOURCE AREA
176 East D.L. Sargent Dr.
Cedar City, Utah 84720



CERTIFIED MAIL P 223 667 911
RETURN RECEIPT REQUESTED

In Reply Refer to:
UT-044
3809, UTU-67787

October 8, 1997

Mr. Lynn Orton
5118 Stampa Avenue
Las Vegas, NV 81902

Dear Mr. Orton:

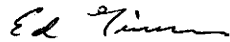
This letter is in regard to a mining disturbance located in California Hollow within the NE4NE4 Sec. 1, T. 31 S., R. 8 W. The disturbance, referred to as the L.C. & K.C.L. Minesite, is located entirely on Federal lands within this office's jurisdiction. The original notice of intent filed for this operation was through Cobb Mining Operation, care of a Mr. Bruce Whited, and submitted to this office on May 28, 1991. On March 11, 1992, an amended notice (copy enclosed) was filed by AEMC (again, care of Mr. Whited), which moved all milling activity proposed under the original notice from federal to private lands. The minesite disturbance covered under this amended notice was assigned to BLM casefile UTU-67787, and State of Utah Small Mining Operation casefile S/021/013.

On September 15, 1997, I made an inspection of the disturbed area and it appears as though the site has been inactive for over a year and the minesite is covered with noxious weeds. I contacted the State of Utah, Division of Oil, Gas, and Minerals, and found that no annual reports have been filed for the mining operation or millsite since 1993. The BLM acceptance letter for amended notice (copy enclosed), for which you, as the claimant, are a responsible party, requires that if mining activities extend for more than one year, that a new notice be filed with this office, or that the reclamation plan for the site be carried out. A letter was sent to the current operator of record, Mr. Whited, on September 29, 1997 (copy attached). Mr. Whited called me on October 3, 1997, explaining that he was not aware that he was currently listed as a responsible party for this disturbance, and that it was his understanding that he had transferred operator status to yourself in 1995. Our files indicate that such a request for transfer was made by Mr. Whited in February 1995, but that the necessary transfer forms were never filed. If you are indeed the current operator on this site, it will be necessary for you to contact Mr. Whited and file the necessary transfer form with him.

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As a claimant and responsible party for the disturbance at this site, it will be necessary for you to contact me immediately at (801) 865-3040, to help rectify this situation. Failure to respond to this letter will result in a notice of non-compliance being issued, requiring bonding for the full cost of reclamation for this and all other present mining disturbances, for which you are responsible, on BLM managed lands.

Sincerely,



Ed Ginouves
Mining Engineer

XC: Joelle Burns, DOGM
Mr. Bruce Whited, 12153 South 1840 East, Draper, Utah 84020

Enclosures:

1. Copy of Amended Notice UTU-67787
2. Copy of BLM letter of April 13, 1992.
3. Copy of BLM letter of September 29, 1997